LOK SABHA

Wednesday, February 26, 1997/Phalguna 7, 1918 (Saka)

The Lok Sabha met at one minute past Eleven of the Clock.

[MR. SPEAKER *in the Chair*]

[English]

OBITUARY REFERENCE

MR. SPEAKER: Hon'ble Members, I have to inform the House, with a deep sense of sorrow, of the passing away of one of our esteemed friends Shri. D.L. Baitha.

Shri D.L. Baitha was a Member of Seventh Lok Sabha representing Araria Parliamentary Constituency of Bihar during 1980-84.

Earlier he was a Member of Bihar Legislative Assembly during 1952-72. He was a Member of the State Council of Ministers for several years and held various portfolios with distinction.

An able parliamentarian, Shri Baitha served as Deputy Minister in the Ministry of Food and Civil Supplies and also as Minister of State in the Ministry of Defence in the Union Council of Ministers. He was a Member of the Committee on Private Member's Bills and Resolutions. He was also the Chairman of Railway Convention Committee during 1980-84.

An agriculturist and lawyer by profession, Shri Baitha constituted a Committee for dealing with the problem of landless labourers. He worked hard for the development of rural areas.

An active social worker, he worked ceaselessly for the upliftment of poor and weaker sections of the society.

Shri D.L. Baitha passed away on 10 February, 1997 at Dr. Ram Manohar Lohia Hospital, New Delhi at the age of 73 years.

We deeply mourn the loss of this friend and I am sure the House will join me in conveying our condolences to the bereaved family.

The House may stand in silence for a short while as a mark of respect to the deceased.

11.03 hrs.

The Members then stood in silence for a short while.

11.04 hrs.

ORAL ANSWERS TO QUESTIONS

[English]

Royalty on Crude Oil

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*61. SHRI NAMDEO DIWATHE:
SHRI GORDHANBHAI JAVIA:

Will the PRIME MINISTER pleased to state.

(a) whether a number of oil producing States are insisting upon the Union Government to revise the royalty rate on crude oil and natural gas after the well head price with effect from 1993;

(b) if so, the details thereof;

(c) the decision taken by the Union Government in this regard;

(d) whether the provisions of the oil-fields (Regulation and Development) Act 1948 is proposed to be amended accordingly;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (f) A Statement is laid on the Table of the House.

Statement

(a) and (b) Governments of Assam and Gujarat have been requesting the Central Government to fix the rate of royalty on crude oil for the block period 1993-96 and to revise the 'on account' rate of royalty on crude oil w.e.f. 1.4.1996.

(c) For the three years period (1993-94 to 1995-96), the actual weighted cost of production would be worked out on the basis of the figures audited by the Comptroller and Auditor General and the final rate of royalty notified and necessary adjustments made against the 'on account' payments already made. The Government have decided to revise the 'on account' rate of royalty on crude oil w.e.f. 1.4.96 from Rs. 528/MT to Rs. 578/MT.

(d) to (f) The Schedule to the Oil-fields (Regulation and Development) Act, 1948 is amended suitably as and when the rate of royalty on mineral oil is re-fixed by the Government.

[Translation]

SHRI NAMDEO DIWATHE: Mr. Speaker, Sir, tension between the Central Government and the States on the question of royalty on oil and natural gas is increasing day

by day. The existing procedure of determining the royalty is not justified. Therefore, I would like to know what suggestions have been given by the State Government to the Centre and whether the Central Government has taken any decision on those suggestions ?

My second supplementary is as to what is the price of indigenous crude oil per barrel as against the price of imported crude oil and whether the price of imported crude oil is taken into consideration while determining the royalty?

[English]

SHRI T.R. BAALU: Could you please repeat the question?

MR. SPEAKER: Can you repeat the question ?

[Translation]

SHRI NAMDEO DIWATHE: Mr. Speaker, Sir, tension between the State Government and the Central Government on the question of royalty is increasing day by day. The State Government has given some suggestions to the Central Government. I want to know whether the Central Government has taken any decision on those suggestions? My second supplementary is in regard to the price of indigenous crude oil per barrel as compared to the price of imported crude and whether the price of imported crude oil is taken into consideration while fixing the royalty?

[English]

MR. SPEAKER: Have you understood it. Are there any suggestions from the State Government?

SHRI T.R. BAALU: We have received a suggestion from the Chief Minister of Gujarat to pay the royalty in kind.

MR. SPEAKER: 'In kind' means what?

SHRI T.R. BAALU: It is to be given in terms of oil or gas. But as it is, we are not self-sufficient. We are importing more than 50 per cent of crude from foreign countries. Even though there is provision to pay it in kind, at this point of time, it is not possible to consider this suggestion. Even otherwise the Central Govt. has to give the concurrence to pay it in kind. Therefore, as I said earlier, at this point of time, it is not possible to pay it in kind.

[Translation]

SHRI NAMDEO DIWATHE: The reply given by the hon. Minister is not appropriate. It is like telling the price of mangoes when I ask about the price of tamarind. There is an anomaly in it. My second supplementary is that the Government increase the rate of royalty by Rs. 50 annually whereas the rates should be revised once in three years. On the other hand, the quota of oil for the States is increased by just one per cent as against 10 per cent increase in the royalty. This is resulting in resentment among the States. The result in Maharashtra was that the State had to resort to rationing. Thus, it had a major impact in the State. Therefore, I would like to know whether would consider increasing the quota of oil by reducing the quota of royalty?

[English]

SHRI T.R. BAALU: I think the hon. Member is not correct in making this statement. However it is, for the benefit of the other Members, I could only say that in 1993, the royalty rate was fixed by the Easwaran Committee, that is, at the rate of Rs. 481 per metric tonne and that has been paid fully. In the 1993-1996 period, 'on account' payment was being paid at the rate of Rs. 528 per tonne. The 'on account' payment is being paid because the final well-head cost has not yet been fixed. We have to get the audited figures from the Comptroller & Auditor General. Only on receipt of the audited figures about the well-head cost, that is the production cost, we will be able to fix the final rate of royalty.

[Translation]

SHRI NAMDEO DIWATHE: Sir, the C.A.G. report in about the loss only. In such a situation, they increase the royalty and reduce the oil quota. Therefore, I would like to know whether Government would consider increasing the quota of oil by reducing the rate of royalty? This part of my question has not been replied to.

[English]

SHRI T.R. BAALU: I cannot make out what the hon. Member is saying. There is no quota as such. From the very beginning, he is saying this. There is no quota or any such thing.

MR. SPEAKER: There is no quota and the suggestion given by the Gujarat Government has not been accepted so far. That is the answer.

(Interruptions)

SHRI SANAT MEHTA: I want to know from the hon. Minister that if the Government of India can make out income every year out of the oil taken out of the soil of Gujarat, why there is a delay of three years to finalise the rate of royalty.

Secondly, you know that after privatisation and liberalisation, when we are giving oilfields to private companies, there are conditions of sharing the oil. In the changed circumstances, why is the proposal of the Gujarat Government of sharing the oil out of the total production not accepted? If it is accepted, all the questions regarding audit etc. will disappear and the process will be very simple.

MR. SPEAKER: I think the second part has already been answered.

SHRI T.R. BAALU: About the second part, I would like to say that it is not at all relevant to the main question. However, for the benefit of the House, I could say that in 1993-94, we have paid Rs. 616.42 crore by way of royalty to the States.

In 1994-95, we have paid Rs. 641.97 crore and in 1995-96, we have paid Rs. 653.03 crore by way of royalty.

SHRI SANAT MEHTA: It is not paid out of any grace.

SHRI T.R. BAALU: The question is not at all relevant to the main question *...(Interruptions)* If you are not interested, I am not going to say anything.

SHRI T. GOPAL KRISHNA: I would like to know from the hon. Minister through you about the royalty given to Andhra Pradesh for the oil found in Krishna-Godavari Basin. Why should they not pay any cess to the concerned panchayat in whose areas the drilling activity is going on?

MR. SPEAKER: I do not know whether it is relevant.

SHRI T.R. BAALU: As far as Andhra is concerned, in 1993-94 we have paid Rs. 9.99 crore; in 1994-95 we have paid Rs. 10.33 crore and in 1995-96, we have paid Rs. 11.56 crore.

MR. SPEAKER: Now Question Number 62.

(Interruptions)

[Translations]

SHRIMATI BHAVNABEN DEVRAJ BHAI CHIKHALIA: Mr. Speaker, Sir, since this question pertains to Assam and Gujarat, I should also be given an opportunity to ask a supplementary question. *...(Interruptions)*

SHRI RATILAL KALIDAS VERMA: Sir, Since this question is important from Gujarat's point of view, we too want to have some information from the hon. Minister *...(Interruptions)*

[Translation]

Growth Rate

*62. SHRI RAM TAHAL CHAUDHARY: Will the Minister of PLANNING AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether the Government failed to achieve the target of growth rate during the last year;

(b) if so, the reasons therefor; and

(c) the efforts being made by the Government in this regard and also to ensure that the shortcomings of last year are not repeated?

[English]

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE OF THE MINISTRY OF SCIENCE AND TECHNOLOGY (SHRI YOGINDER K. ALAGH): (a) Growth rate targets are not fixed annually but for the Plan period as a whole. However, the realised growth rate in the last year (1995-96) is 7.1% as per the quick estimates of CSO, which is higher than the Eighth Plan annual average target of 5.6%.

(b) and (c) Does not arise.

SHRI RAM NAIK: What is this CSO?

SHRI YOGINDER K. ALAGH: It is the Central Statistical Organisation.

SHRI RAM NAIK: Even in replies, short forms are used.

MR. SPEAKER: Members are not supposed to know all the abbreviations.

[Translation]

SHRI RAM TAHAL CHAUDHARY: Mr. Speaker, Sir, in part (a) of my question, I had asked whether the Government failed to achieve the target of growth rate during the last year ? In reply to this part, the hon. Minister has stated that growth rate targets are not fixed annually but for the plan period as a whole. However the realised growth rate in the last year (1995-96) is 7.1 per cent as per the quick estimates of CSO, which is higher then the Eighth Plan Annual average target of 5.6%. I agree with the hon. Minister on it, but when there is an increase in the growth rate, why the average figure has been presented in a round about manner. Through you, I want to know from the hon. Minister as to what was the target for the growth rate, what was the shortfall, if any, and what were the reasons therefor?

SHRI YOGINDER K. ALAGH: Growth rate targets are not fixed annually. The target is fixed for the Five year plan by the Planning Commission, but the Commission does make some projections. When the plan for 1995-96 for formulated, the Planning Commission had estimated the growth rate to be 5.6 per cent, but the growth rate has been better than that and the actual achievement has been 7.1 per cent. I am replaying to it straightaway and not in a round about manner.

SHRI RAM TAHAL CHAUDHARY: What I want to know from the hon. Minister is whether in the event of non-fulfilment of the target, the Government inquires into the lethargy on the part of the offices? If so, the number of offices against whom action was taken during the last two years?

SHRI YOGINDER K. ALAGH: As I have already said, there has been no shortfall in the growth rate during the last one year and this year also, the growth rate has been good, but if there is a shortfall in a particular project, as has been stated in the Approach Paper to the Ninth Five Year Plan, there is a long procedure under which the responsibility of such officers is fixed.

[English]

SHRI NIRMAL KANTI CHATTERJEE: Sir, the confusion arises because of this statement. The growth rate for the last year–if last financial year's reference is made–has not come down. The point is, for the current financial year or the last calender year, the growth rate has come down a little.